

STATE AND SCHOOL
EMPLOYEES'

Life AND Health

P L A N

Know Your Benefits

SPECIAL EDITION FOR MEDICARE PRIMARY PARTICIPANTS

IMPORTANT INFORMATION ABOUT YOUR 2006 BENEFITS AND RATES UNDER THE PLAN

This newsletter will provide you with information regarding benefit changes and rate changes to the Plan effective January 1, 2006. Please carefully read this newsletter so that you understand these changes.

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Prescription Drug Coverage

By now, you have probably received information from Medicare about the new Part D coverage that provides benefits for prescription drugs. All retirees and dependents of retirees who are eligible for Medicare will be eligible to purchase prescription drug coverage through a new program approved by Medicare.

Once Medicare Part D becomes effective January 1, 2006, the Plan will no longer provide prescription drug coverage to Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses. Medical benefits will be enhanced, and rates for Medicare eligible retirees and their Medicare eligible dependents will be reduced. Rates for Medicare eligible disabled retirees under the age of 65 will remain the same.

During October, Medicare will send you the *Medicare & You 2006* handbook that will include the Medicare Prescription Drug Plans in your area. To be sure you have prescription drug coverage in place by January 1, 2006, you should apply for Medicare Part D coverage during the enrollment period beginning November 15, 2005.

Dependents not eligible for Medicare will continue to have prescription drug coverage under the Plan. If you are a non-Medicare eligible retiree with covered Medicare eligible dependents, you will continue to have prescription drug coverage under the Plan but your Medicare eligible dependents will not have the prescription drug coverage.

In October, you will receive a Creditable Coverage Disclosure Notice from Blue Cross Blue Shield (BCBS). If you do not receive your Notice, you can contact BCBS at 1-800-709-7881 and request a copy.

MEDICARE
and YOU
• 2006 •

Why the change?

Medicare prescription drug coverage is partially funded by the federal government while coverage under the Plan is not. The same level of prescription drug coverage available under Medicare would cost you more if the Plan provided the coverage. In return, the Plan will be increasing the level of benefits for your medical coverage that is not covered by Medicare.

Medicare Part D

When should I join?

If you are enrolled by December 31, 2005, your Medicare prescription drug coverage will begin on January 1, 2006, and you won't miss a day of coverage. If you enroll after May 15, 2006, you may have to pay more for Medicare prescription drug coverage.

Medicare Part D

Calendar Year Deductible

Effective January 1, 2006, Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses will no longer be required to satisfy a calendar year deductible under the Plan. The Plan will pay 100% of the Medicare deductible and co-insurance amounts for covered medical services.

Adult Wellness/Preventive

Effective January 1, 2006, the Plan will provide coverage up to \$250 for certain adult wellness/preventive services. The Plan will pay 100% of the allowable charge, up to the \$250 maximum, for office visits and certain diagnostic tests.

Unused benefit amounts do not carry over to the next year.

A list of the covered wellness/preventive tests can be found at the Plan's web site, <http://knowyourbenefits.dfa.state.ms.us>, or you can contact Blue Cross & Blue Shield at 1-800-709-7881 for a copy of the list.

2006

Medicare Secondary Coverage Rates

These rates will be effective January 1, 2006, and apply to retirees who are Medicare eligible and/or have Medicare eligible dependents. All other retiree rate classes will remain the same.

	Retiree Not Medicare Eligible	Retiree Disabled Under Age 65 Medicare Eligible	Retiree Age 65 & Over Medicare Eligible
Retiree Only	\$351	\$220	\$137
Plus Spouse (Medicare Eligible)	\$488	\$357	\$274
Plus Spouse (Not Medicare Eligible)	\$725	\$594	\$511
Plus Child	\$465	\$334	\$251
Plus Children	\$580	\$449	\$366
Plus Spouse and Child(ren) (One or more dependents Medicare Eligible)	\$602	\$471	\$388
Plus Spouse and Child(ren) (No Dependents Medicare Eligible)	\$900	\$769	\$686
Plus Child with High Option	\$485	\$354	\$271
Plus Children with High Option	\$600	\$469	\$386
Plus Spouse and Child(ren) (One or more dependents Medicare Eligible) with High Option	\$622	\$491	\$408
Plus Spouse and Child(ren) (No Dependents Medicare Eligible) with High Option	\$920	\$789	\$706

Summary

- Covered medical expenses under Parts A and B not paid by Medicare will be covered at 100% with no calendar year deductible.
- The Plan will not cover prescription drugs effective January 1, 2006. You must enroll in Medicare Part D prior to January 1, 2006 in order to have prescription drug coverage.
- Premium rates have been adjusted to account for the changes in benefits.

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Know Your Benefits

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or call
1-800-MEDICARE
(1-800-633-4227)
to get more
information about
Medicare Prescription
Drug Plans.

**IMPORTANT INFORMATION
FOR PARTICIPANTS WITH
MEDICARE PRIMARY
COVERAGE**

*Y***OUR BENEFITS ARE CHANGING
JANUARY 1, 2006!!**